

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
BOARD MEETING
JANUARY 17, 2024**

The regular meeting of the Board of the Louisville Regional Airport Authority was held on January 17, 2024. Chairman Dale Boden convened the meeting at 3:00 p.m. in the Boardroom of the Louisville Regional Airport Authority.

Board members present: Mr. Mark Blieden, Mr. Dale Boden, Mr. Mitchel Denham, Ms. Maggie Payette Harlow, Mr. Brian Lavin (via Zoom teleconferencing software), Mr. Pat MacDonald, Mr. John Sistarenik, and Ms. Lesa Seibert. Not in attendance: Mr. Cleo Battle, Mayor Craig Greenberg, and Mr. John A. Moore. Mr. Morgan Ward attended as counsel to the Board.

Staff members present: Ms. Megan Atkins Thoben, Ms. Dodie Caulk, Ms. Natalie Ciresi Chaudoin, Ms. Lauren Deel, Ms. Heather Fuqua, Mr. Anthony Gilmer, Ms. Noel Jolly, Mr. Dan Mann, Ms. Kim Pemberton, Ms. Brenda Perry, Ms. Beverly Santamouris, Officer Jason Shipman, Mr. Brian Sinnwell, Mr. Adam Thomas, Mr. Darrell Watson and Mr. Jason Wheeler.

Also in attendance: Mr. Phil Clark, Ms. Kelly Curry, Mr. Matthew Glowicki, Mr. John Kraft, and Mr. Robert Rush.

CONSIDERATION OF MINUTES

On motion duly made and seconded, the minutes of the Regular Board meeting held November 15, 2023, and the Special Board Meeting held December 8, 2023, were unanimously approved. Ms. Maggie Payette Harlow was not present for the approval of the minutes.

STAFF REPORTS

CONSTRUCTION REPORT

Mr. Sinnwell provided the construction report on the Airport Area Safety Program – Approach Surfaces Obstruction Mitigation Project at Bowman Field. Tree trimming and tree removal are underway and 31 of the 63 trees identified have been trimmed or removed. Work on this project will be completed by March 31, 2024. Also at Bowman Field, the Louisville Executive Aviation Roof Replacement Project has been completed.

Mr. Sinnwell reported on the Residential Sound Insulation Program. Since 2008, a total of 700 families have received sound insulation. Phase 1.6 for 34 families is currently under construction and is expected to be completed in April 2024. Phase 1.7 for 30 families is expected to begin construction in May 2024.

FINANCE REPORT

Ms. Santamouris presented the finance report. For the six months months ending December 31, 2023, fiscal-year-to-date operating revenue is \$43,257,397 which is \$310,949 unfavorable to the budgeted amount or .7%. The shortage is primarily due to landing and airfield use fees from lower

UPS activity. The adjustment to the landing fee approved by the Board in November will be reflected in the February 2024 financial statements. Compared to the six months ending December 31, 2022, there was an increase of \$2,745,760. Fiscal-year-to-date operating expenses are \$19,101,344 which is \$1,257,982 favorable to the budgeted amount or 6.2%. Compared to the six months ending December 31, 2022, there was an increase of \$1,141,236. Cargo weight is 9.66% lower than December of last year, and total cargo weight is 11.06% lower calendar year to date. December 2023 passenger activity is up 21.51% from December 2022 and is up 19.84% calendar-year-to-date.

CONSENT ITEMS

1. Terminal Escalator, Elevator and Moving Sidewalk Maintenance Agreement Amendment 1 — Approval

The Louisville Muhammad Ali International Airport's system of escalators, elevators and moving sidewalks has been regularly maintained by Schindler Elevator Corporation under an annual maintenance agreement, currently with a three-year term. The existing agreement will expire April 30, 2024, and an amendment to the existing agreement is needed to ensure continued service of the units that have been upgraded during the current Terminal Renovation Project.

Schindler Elevator Corporation is currently listed with Sourcewell (formally NJPA) as holding a cooperative purchase contract under master agreement 080420-SCH. State law, specifically KRS 45A affords the Authority, as a political subdivision of the Commonwealth, the opportunity to participate in cooperative contracts with other public entities under certain circumstances without the need to conduct an additional solicitation. This agreement has been reviewed by the Authority and has been determined to meet the contracting and purchasing requirements for Kentucky Cooperative Purchasing Agreements.

Pricing terms and conditions are based upon the Sourcewell Master Agreement 080420-SCH that runs through August 28, 2024 with available renewal and extension options and the opportunity for the Authority to supplement with provisions that would provide the best value to the Authority, as well as provisions required by the Authority and the FAA. This amendment to the existing agreement will cover all labor, equipment, and maintenance for a term of five years and two months through the end of the fiscal year on June 30, 2029.

Mr. Mann recommended the Board approve an amendment to the existing agreement in the amount of \$4,524,375 for terminal escalators, elevators and moving sidewalks from Schindler Elevator Corporation at a new not-to-exceed amount of \$7,381,875; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

2. Deicing/Chemical Application Spray Truck — Louisville Muhammad Ali International Airport — Purchase Award

There are currently two deice trucks in use at Louisville Muhammad Ali International Airport, a 2005 Batts and a 2013 Tyler Ice. These trucks are used to spread potassium acetate during the winter months and are also utilized to spread rubber removal chemicals to maintain the runways and taxiways at acceptable levels of friction testing at other times of the year. With the advanced age of these trucks, the manufacturer is no longer supporting the manufacture of parts for these models and rarely returns calls or emails seeking replacement parts. The Authority's staff have had to rely upon third party vendors and the ability to source replacement parts is becoming increasingly more difficult. A new truck will provide consistent service to the airport for an expected 10-to-12-year service life and will allow for continued operations during periods of repair. The maintenance staff have identified Fortbrand Services as an industry leader in the manufacturing of reliable low maintenance deicing equipment with high marks for the performance, quality and dependability of their products.

Fortbrand Services, Deicing Equipment is currently listed with Sourcewell (formally NJPA) as holding a cooperative purchase contract under Master Agreement 062222-AGI-4. State law, specifically KRS 45A affords the Authority, as a political subdivision of the Commonwealth, the opportunity to participate in cooperative contracts with other out of state public entities under certain circumstances without the need to conduct an additional solicitation. This agreement has been reviewed by the Authority and has been determined to meet the contracting and purchasing requirements for Kentucky Cooperative Purchasing Agreements. Pricing, terms, and conditions are based upon the Sourcewell Master Agreement that runs through January 2027 with available renewal options covering both equipment and parts. The Authority has supplemented the agreement with additional terms as required by both the Authority and the FAA.

Mr. Mann recommended the Board approve the purchase of one deicing truck from Fortbrand at a not-to-exceed cost of \$706,994 and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

3. Miranda Construction Task Order 7 — Louisville Muhammad Ali International Airport — Approval

On June 16, 2021, the Board approved the award of a General Construction and Design/Build Services for General Facilities contract to Miranda Construction for a five-year period. The contract requires Board approval for each Task Order. Task Order 7 authorizes Miranda Construction to provide construction services for renovations to the office space within the MRO North Hangar at Louisville Muhammad Ali International Airport. These renovations are to prepare the space to accommodate 2024 Kentucky Derby visitors as our local Fixed Base Operator sets up remote operations on the west side of the airfield. The negotiated amount for Task Order 7 is \$95,494.

Mr. Mann recommended the Board approve the above Task Order to the contract with Miranda Construction for the negotiated amount of \$95,494; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality

of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

4. HNTB Amendment 1 to Task Order 15 — Louisville Muhammad Ali International Airport — Approval

In January 2019, the Board approved the award of a Supplemental Airfield Consultant Services contract with HNTB for a three-year period. An option for an additional two-year term was approved in December 2021, extending the contract to January 2024. This contract requires Board approval for each Task Order. Each Task Order issued contains a Notice to Proceed, the detailed scope of work and the anticipated timeline for that work, subject to changes in the timeline as conditions warrant. The following task order amendment requires Board approval.

In July 2020, the Board authorized the issuance of Task Order No. 15 for HNTB to provide design and bid phase services for the checkpoint expansion for the Terminal Enhancement project at Louisville Muhammad Ali International Airport. The significant increase in passenger activity since that time warranted an additional expansion of the TSA checkpoint, and accordingly, an amendment of this task order to effectuate it. This amendment adds additional design work required to accommodate the expanded building footprint due to additional checkpoint lanes. The negotiated amount for Amendment 1 to Task Order 15 is \$41,625.

Mr. Mann recommended the Board approve Amendment 1 to Task Order 15 to the contract with HNTB in the amount of \$41,625; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

ACTION ITEMS

5. CMTA Task Order 2A Amendment 2 and Task Order 2C Amendment 1 — Louisville Muhammad Ali International Airport — Approval

At the January 19, 2022 meeting, the Board approved Task Order 2A in the amount of \$1,280,420 with CMTA for the design of all landside MEP work, the installation of new baggage claim equipment, and rental car counter renovations. Subsequently, at the September 20, 2023 meeting, the Board approved Amendment 1 to Task Order 2A in the amount of \$214,810 for the design for reuse of the empty 5/3 Bank space, the renovation of the new space for Louisville Tourism, reorientation of the 2nd level staircase, and the renovation of existing concession space for the expansion of the check point queue.

The first item for consideration is Amendment 2 to Task Order 2A to include design of additional elements in the terminal. This amendment includes design services for the Information Desk replacement at the apron level atrium. The cost for this amendment for design will not exceed \$35,080.

The second item seeks Board approval for Amendment 1 to Task Order 2C which includes additional construction support services. Task Order 2C in the amount of \$835,979 with CMTA was originally approved by the Board at the April 19, 2023, and included construction administration for Task Order 2A. Now, this amendment is needed for additional services in support of the previous design changes included in Amendments 1 and 2 to Task Order 2A, outlined above. The cost for this amendment for construction administration will not exceed \$13,200.

Mr. Mann recommended the Board approve Amendment 2 to Task Order 2A in the amount of \$35,080 and Amendment 1 to Task Order 2C in the amount of \$13,200 for the construction and energy management services of CMTA and authorize the Executive Director to execute the necessary contract documents and task orders subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

6. Central Generator Plant and Microgrid Construction — Louisville Muhammad Ali International Airport — Contract Award

This project consists of the construction of a new generator building south of the existing main switchgear building. The new building will include three diesel generator sets with space for one additional future set, fuel tanks sized to provide 72 hours of runtime, a battery energy storage system for demand reduction, a paralleling switchgear with integration to the existing, and clean agent fire suppression system. Additionally, a photovoltaic system will be installed on the east baggage building roof.

The Central Generator Plant and Microgrid project was advertised in *The Courier-Journal*, the *Louisville Defender*, the Tri-State Minority Supplier Development Council, and was posted on the Authority's website. A single bid was received from MAC Construction & Excavating, Inc. of New Albany, IN with a bid price of \$29,890,000. A review of all documentation provided confirmed the bid was responsive; however, the bid price exceeded available funds.

The Kentucky Model Procurement Code (hereinafter "MPC") established in KRS Chapter 45A permits negotiation of sealed bids prior to award when bids exceed available funds, including under circumstances where there is only one responsive bidder. As a municipality established by KRS Chapter 183, the Authority is neither bound by nor has it adopted the MPC. However, the Authority has elected to abide by the philosophy of the MPC. Accordingly, staff and MAC Construction & Excavating, Inc. participated in noncompetitive negotiations resulting in a new total price of \$29,080,000. Authority staff and our consultant have reviewed the negotiated bid documents submitted by MAC Construction & Excavating, Inc., have verified the negotiated bid to be responsive, and are recommending the contract award.

Mr. Mann recommended the Board award the contract for the Central Generator Plant and Microgrid project to MAC Construction & Excavating, Inc. at a bid price of \$29,080,000; and authorize the Executive Director to execute the necessary contract documents subject to review

and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

7. Foth Task Order 69, Amendment 3 to Task Order 11, and Amendment 1 to Task Order 44 — Louisville Muhammad Ali International Airport — Approval

On November 20, 2019, the Board approved the award of a Planning, Engineering and Architectural Professional Services contract to Foth for a three-year period. Subsequently, the option for an additional two-year term was approved on January 18, 2023. In accordance with the contract, the following Task Order and Amendments to existing Task Orders require Board approval.

Task Order 69 authorizes Foth to provide construction administration, observation, system commissioning, coordination of testing and other construction services for the Central Generator Plant and Microgrid project. The negotiated amount for Task Order 69 is \$1,855,395.

Task Order 11 Amendment 3 adds additional design elements to the interior wayfinding scope for the proposed information desk and expansion of the checkpoint from eight to ten lanes. The negotiated amount for Amendment 3 to Task Order 11 is \$38,710.

Task Order 44 Amendment 1 adds additional construction escorting, observation, and administration services for an extension to the SDF Runway 17R-35L Electrical Rehabilitation and Taxiway A Centerline Light Installation project schedule due to unforeseen material delays, UPS operational needs, and additional work elements. The negotiated amount for Amendment 1 to Task Order 44 is \$198,161 and will be 90% funded by an FAA grant.

Mr. Mann recommended the Board approve the above Task Order and Amendments to existing Task Orders for the contract with Foth for a total negotiated amount of \$2,092,266; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

8. Revision to the Board Governance Manual and Committee Structure — Consideration and Adoption

Chairman Boden and Executive Director Mann request Board approval to update the Board Committee Structure outlined in the Board Governance Manual. The changes to the committee structure will better enable the committees to assist the full Board with offering policy guidance and fulfill the mission of the Board and the Authority.

The proposed updates to the Governance Manual make one revision to the Board Committee Structure. The revision merges the roles and responsibilities of the Air Service, Airport Development and Public Relations Committee and the Human Resources Committee to create the Airport Affairs Committee. A copy of the revised Board Governance Manual language with the changes clearly marked was provided for each Board Member's review (copy attached).

Mr. Mann recommended the Board approve and adopt the revised Board Governance Manual and Board Committee Structure as proposed and authorize the Executive Director to take the necessary steps to implement the changes. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

OTHER BUSINESS

Chairman Boden and Executive Director Mann added an additional item to the Board Agenda. Due to lengthy lead times for equipment orders, the item required approval sooner than the March 2024 Board Meeting.

9. Front Broom Equipment — Louisville Muhammad Ali International Airport and Bowman Field — Purchase Award

The Louisville Muhammad Ali International Airport desires to replace two of the existing front mount brooms, a 1997 Oshkosh (27 years old) and a 2005 Oshkosh (19 years old). These trucks are not only utilized to remove snow during the winter months but are also utilized for rubber removal to maintain the runways. With the advanced age of these trucks, the manufacturer is no longer supporting the supply of replacement or repair parts for these models. Two new front mount brooms (MB3) will provide consistent and reliable service to the airport for an expected 10 to 15 years of service life.

The maintenance staff have identified M-B Companies as an industry leader in the manufacturing of reliable Front Mount Broom equipment with high marks for the performance, quality, and dependability of their products. M-B Company Front Mount Broom Equipment is currently listed with Sourcewell (formally NJPA) as holding a cooperative purchase contract under Master Agreement 062222-AEB-5. State law, specifically KRS 45A affords the Authority, as a political subdivision of the Commonwealth, the opportunity to participate in cooperative contracts with other out of state public entities under certain circumstances without the need to conduct an additional solicitation. This agreement has been reviewed by the Authority and has been determined to meet the contracting and purchasing requirements for Kentucky Cooperative Purchasing Agreements. Pricing, terms, and conditions are based upon the Sourcewell Master Agreement that runs through August 15, 2027 with available renewal options covering both equipment and parts. The Authority has supplemented the agreement with additional terms as required by both the Authority and the FAA.

Mr. Mann recommended the Board approve the purchase of two MB3, Front Mount Broom Equipment from M-B Companies at a not-to-exceed cost of \$1,482,100.96 and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation

2023 Benchmarking Study Update

Mr. Mann presented the results of the 2023 Benchmarking Study Update performed by Frasca &

Associates, LLC to the Board. This is an update to the “Benchmarking and Financial Plan Review” study originally performed by Frasca & Associates, LLC in 2017 on FY 2016 data. The update benchmarks data from FY 19 (pre-COVID) and FY 2022.

Mr. Mann advised the Board that of five air traffic metrics reviewed in the update, SDF outperformed in two, and peer performed in three. Mr. Mann highlighted the Average Domestic One-Way Airfare metric where SDF has consistently peer performed in all three benchmark years and the Cargo Tonnage metric where SDF has consistently outperformed in all three benchmark years.

On 13 cost performance metrics reviewed in the update, SDF outperformed in 10, peer performed in two and underperformed in one. He highlighted SDF’s Airline Cost per Enplaned Passenger metric, Landing Fee Rate Metric, and Operating Revenues per FTE metric where SDF has consistently outperformed in all three benchmark years.

On four revenue performance metrics reviewed in the update, SDF outperformed in one, peer performed in two and underperformed in one. Mr. Mann highlighted the Food and Beverage Concession Revenue per Enplaned Passenger metric where SDF peer performed in FY 2016 and outperformed in FY 2019 and FY 2022, the Retail Concession per Enplaned Passenger Metric where SDF peer performed in all three benchmark years, and the Parking and Ground Transportation Revenue per Enplaned Passenger metric where SDF peer performed in FY 2016 but underperformed in FY 2019 and FY 2022. This metric does not factor in the cost savings achieved when the Authority outsourced its parking operation, nor does it reflect the parking rate increase implemented in FY 2023. Mr. Mann advised the Board this metric should be at least peer performing now.

Chairman Boden advised the Board that January 17 is SDF’s namesake, Muhammad Ali’s birthday. He would have been 82 today.

There being no additional business the meeting adjourned at 3:36 p.m.

Dale Boden, Chairman

Dan E. Mann, Assistant Secretary